RULES

OF

TENNESSEE STATE OIL AND GAS BOARD STATEWIDE ORDER NO. 2 DRILLING, RE-ENTRY, PLUGGING AND ABANDONING EXPLORATORY AND EXPLOITATION OIL AND GAS WELLS

CHAPTER 1040-2-6 DRILLING WELLS

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1040-2-6-.01 DRILLING EQUIPMENT All drilling equipment shall be designed, constructed, and operated in such a manner so as to prevent accidents and insure safe operating practices. It is recommended that each operator require the drilling contractor to comply with the general rules and safe practices procedure set out in the "Accident Prevention Manual" prepared by the Safety Committee of the American Association of Oilwell Drilling Contractors (217 North Ervay Building, Suite 505, Dallas, Texas 75201).

Authority: T.C.A. §§60-104. Administrative History: Original rule was certified May 24, 1974.

1040-2-6-.02 BLOWOUT PREVENTION All wells shall be equipped and operated in such a manner as to prevent the uncontrolled emission of oil, gas, and water from the well.

Authority: T.C.A. §\$60-104. Administrative History: Original rule was certified May 24, 1974.

1040-2-6-.03 CASINGHEADS All wells shall be equipped with casingheads with a test pressure in conformance with conditions existing in areas in which they are used. Casinghead body shall be equipped with proper connections and valves accessible to the surface as soon as installed. Reconditioning shall be required on any well showing pressure on the casinghead, or leaking gas or oil between the oil string and the next larger size casing string, when, in the opinion of the Supervisor, such pressures or leakages assume hazardous proportions or indicate the existence of underground waste. Mud-laden fluid may be pumped between any two strings of casing at the top of the hole, but no cement shall be used except by special permission of the Supervisor.

Authority: T.C.A. §\$60-104. Administrative History: Original rule was certified May 24, 1974.

1040-2-6-.04 ENVIRONMENTAL PROTECTION All oil and gas operations shall be conducted in a manner that will prevent or mitigate adverse environmental impacts such as soil erosion and water pollution. All areas disturbed by the operations, including access roads, shall be reclaimed as prescribed in rule 1040-2-9-.05. Access roads shall be constructed in such a manner as to reduce erosion to a practical minimum. Sediment ponds, berms, diversion ditches, hay bales, and other measures designed to prevent erosion and discharge from well sites shall be taken to prevent or minimize soil erosion and pollution of surface waters.

Authority: T.C.A. §§60-1-202 and 60-1-204. Administrative History: Original rule filed April 20, 1988; effective June 4, 1988.